House Bill 468

By: Representatives Lewis of the 15th, Burmeister of the 119th, Stephens of the 164th, Sims of the 169th, and Lunsford of the 110th

A BILL TO BE ENTITLED

AN ACT

To amend Code Section 48-7-40.17 of the Official Code of Georgia Annotated, relating to state income tax credits with respect to establishing or relocating certain headquarters, so as to change the manner and method of computing the amount of such credits; to provide an effective date; to provide for applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Code Section 48-7-40.17 of the Official Code of Georgia Annotated, relating to state income tax credits with respect to establishing or relocating certain headquarters, is amended by striking subsections (a) and (b) and inserting in their its place new subsections (a) and (b) to read as follows:

"(a) As used in this Code section, the term:

(1) 'Average wage' means the average wage of the county in which a full-time job is located as reported in the most recently available annual issue of the Georgia Employment and Wages Averages Report of the Department of Labor.

(2) 'Full-time job' means employment for an individual which:

(A) Is located at a headquarters;

(B) Has a regular work week of 30 hours or more; and

~~(C) Pays at or above:~~

~~(i) In tier 1 counties, the average wage of the county in which it is located;~~

~~(ii) In tier 2 counties, 105 percent of the average wage of the county in which it is located;~~

~~(iii) In tier 3 counties, 110 percent of the average wage of the county in which it is located; and~~

~~(iv) In tier 4 counties, 115 percent of the average wage of the county in which it is located; and~~

~~(D)~~(C) Has no predetermined end date.

(3) 'Headquarters' means the principal central administrative office of a taxpayer or a subsidiary of the taxpayer.

~~(4) 'Tier' means a tier as designated pursuant to Code Section 48-7-40, as amended.~~

(b) A taxpayer establishing its headquarters in this state or relocating its headquarters into this state which:

(1) Within one year of the first date on which it withholds wages for employees at such headquarters or the headquarters of a subsidiary, defined as the taxpayer´s 'affiliated group' within the meaning of Section 1504(a) of the Internal Revenue Code of 1986, as amended, pursuant to the provisions of Code Section 48-7-101, employs at least 50 persons in new full-time jobs at such headquarters and the average wage of all jobs at the location where the headquarters is domiciled is 10 percent greater than the average wage for the county in which the headquarters is domiciled;

(2) Within one year of the first date on which it withholds wages for employees at such headquarters pursuant to the provisions of Code Section 48-7-101 incurs within the state a minimum of $1 million in construction, renovation, leasing, or other costs related to such establishment or relocation; and

(3) Elects not to receive the tax credits provided for by Code Sections 48-7-40, 48-7-40.1, 48-7-40.2, 48-7-40.3, 48-7-40.4, 48-7-40.7, 48-7-40.8, and 48-7-40.9 for such jobs or such investment

shall be allowed a credit for taxes imposed under this article equal to $2,500.00 annually per ~~eligible~~ new full-time job, or $5,000.00 if the average wage of the new full-time jobs created is 200 percent or more of the average wage of the county in which ~~such jobs are located per eligible new full-time job; provided,~~ the headquarters is domiciled; however, that where the amount of such credit exceeds a taxpayer´s liability for such taxes in a taxable year, the excess may be taken as a credit against such taxpayer´s quarterly or monthly payment under Code Section 48-7-103 but not to exceed in any one taxable year $2,500.00 annually per eligible new full-time job, or $5,000.00 if the average wage of the new full-time jobs created is 200 percent or more of the average wage of the county in which such jobs are located for each new full-time job when aggregated with the credit applied against taxes under this article. Each employee whose employer receives credit against such taxpayer´s quarterly or monthly payment under Code Section 48-7-103 shall receive credit against his or her income tax liability under Code Section 48-7-20 for the corresponding taxable year for the full amount which would be credited against such liability prior to the application of the credit provided for in this subsection. Credits against quarterly or monthly payments under Code Section 48-7-103 and credits against liability under Code Section 48-7-20 established by this subsection shall not constitute income to the taxpayer. For each new full-time job created, the credit established by this subsection may be taken for the first taxable year in which the new full-time job is created and for the four immediately succeeding taxable years; provided, however, that such new full-time jobs must be created within seven years from the close of the taxable year in which the taxpayer first becomes eligible for such credit. Credit shall not be allowed during a year if the net employment increase falls below the 50 new full-time jobs required. Any credit received for years prior to the year in which the net employment increase falls below the 50 new full-time jobs required shall not be affected. The commissioner shall adjust the credit allowed each year for net new employment fluctuations above the 50 new full-time jobs required.″

SECTION 2.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval and shall be applicable to all taxable years beginning on or after January 1, 2005.

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.